Form 540

TAX

Line 20
Tax

Determine your clients' tax by using the tax table in your clients' booklet or in this manual starting on page 161.

For additional information about tax, refer to the *General Information Section*.

Tax Rate Schedule
Taxpayers with taxable income, line 19, of $100,000 or more must use the Tax Rate Schedule to compute the amount of tax due. The tax rate schedule is beyond the scope of the VITA/TCE volunteer program. Taxwise correctly figures taxable income in excess of $100,000.

Line 21
Exemption credits

Enter the amount from line 11.

Line 22
Subtract

Subtract line 21 from line 20 and enter the result on line 22. If the amount on line 22 is less than zero, enter 0.

Line 23
Tax from Schedule G-1 and form FTB 5870A

This is beyond the scope of the VITA/TCE volunteer program.

Line 24
Add

Add line 22 and line 23 and enter the result on line 24. Continue to Side 2.

SPECIAL CREDITS AND NONREFUNDABLE RENTERS CREDIT

Line 25 through Line 27
Special Credits

A variety of additional credits are available to qualified clients to reduce their tax liability. To claim your clients' credits, figure the amount of the credit and enter the credit name, code number, and amount of the credit on line 28 through line 30. Consider the following question:

"Are your clients claiming any of the credits listed on the Credit Chart on pages 127 and 128?"

NO: Skip line 25 through line 27. Go to line 31.

YES: Figure the amount of your clients' credit or credits. Enter the total amount of credit and the credit code number on line 28 through line 30.

The next column begins a list of the most common credits. For a list of all the credit codes available, see pages 127 and 128.